

More funds needed for water, hygiene: NGOs

STAR BUSINESS REPORT

The water, sanitation and hygiene (WASH) sector needs an equitable allocation in the upcoming budget to ensure progress of the sustainable development goals (SDGs) otherwise challenges will surface, development activists said yesterday.

According to them, the financing gap for meeting the SDG 6 indicators and targets was the major challenge. Under the SDG 6, the United Nations aims to ensure access to water and sanitation for all by 2030.

"The WASH sector needs to be prioritised in the next budgets to fill the financing gap," said Hossain Zillur Rahman, a former caretaker government adviser and chairman of the Power and Participation Research Centre (PPRC).

He was addressing a press conference jointly organised by WaterAid, Unicef, the PPRC, Freshwater Action Network South Asia, Water Supply and Sanitation Collaborative Council-Bangladesh, FSM Network, Sanitation and Water for All, and WASH Alliance at National Press Club.

Referring to an analysis by the PPRC, Rahman said the government has made commendable progress on WASH financ-

ing, with allocations having risen to Tk 6,849 crore in fiscal 2018-19 from Tk 4,381 crore in fiscal 2010-11.

He said 44 percent of people in Bangladesh however still have no access to safe water and sanitation facilities.

Moreover, the relative growth in WASH allocation over the last eight years is only 56.31 percent - a disproportionately low figure compared to the much bigger growth of gross domestic product, annual development programme and national budget, he said.

According to Rahman, the SDGs financing strategy prepared by general economic division puts the estimate of additional costs for achieving SDG 6 from 2017 to 2030 at Tk 1,107 billion.

Moustapha Niang, wash specialist of Unicef, said achieving safely managed water and sanitation for all was a huge challenge for Bangladesh, one that would require much greater attention towards financing.

"The financing gap is a big challenge in achieving SDG 6 and tracking the new services levels and definition introduced by SDGs," he said.

He emphasised on private sector involvement in achieving the SDG 6 as it was really tough for the government to meet the financing gap.

Invest more for women's rights: EquityBD

STAR BUSINESS DESK

A group of 18 rights-based civil society networks on Tuesday demanded that more of taxpayers' money be invested for establishing women's rights.

The group, EquityBD, also demanded that women's contribution to the economy be recognised and the burden be reduced.

Men are enjoying benefits of facilities involving food, healthcare, education and entertainment more than women around the world, the group told organising a human chain in front of National Press Club in Dhaka.

Women are discriminated against while participating in economic activities, facing unequal recruitment options, promotions and wages, they said.

Mustafa Kamal Akanda, Ferdous Ara Rumea and Rezaul Karim Chowdhury of EquityBD, Rehana Akter of Bangladesh Krishani Shova, Badrul Alam of Bangladesh Krishak Federation and Barkat Ullah Maruf of COAST Trust spoke at the event.

Uber discounts for Emirates passengers at Dubai airport

STAR BUSINESS DESK

Emirates passengers travelling to and through Dubai can now enjoy discounted alongside free Uber rides from and to Dubai International Airport.

Visitors travelling from more than 50 global destinations including Bangladesh can avail the offer until June 18, the airline said in a statement yesterday.

Economy Flex Plus travellers can avail two free rides (up to Tk 2,700) while Economy Flex passengers will get 50 percent off (up to Tk 1,350) on two rides from anywhere in Dubai.

Rashid named IFPRI's South Asia director



STAR BUSINESS DESK

International Food Policy Research Institute (IFPRI) has recently named Shahidur Rashid as new regional director for South Asia, based in New Delhi, India.

Rashid, a senior research fellow at the IFPRI's development strategies and governance division, received his PhD in economics from the University of Illinois at Urbana-Champaign and an MS in economics from the University of Chittagong.

Since joining the IFPRI as a postdoctoral fellow in 1999, he has conceptualised and implemented multi-country research programmes in both Asia and Sub-Saharan Africa, says a statement issued yesterday.

Duty waiver to boost local manufacturing of motorcycles

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The latest SD waiver will benefit the firms that have either established manufacturing facilities in Bangladesh or are in the process of doing so.

More than half a dozen firms are setting up plants to assemble and make components of two-wheelers to tap the local demand.

The NBR said the privilege would be applicable to two categories of firms: the firms that make chassis, one or more components of motorcycles locally, and the firms that import part or full chassis and make one or two components in Bangladesh.

Assemblers who import bikes in complete knock-down (CKD) forms, chassis and other parts but do not make any components locally will not get the duty benefit, according to the notification issued on March 18.

The bike market grew 24 percent year-on-year to about 4.80 lakh units in 2018. It is expected to be around 6 lakh units by the end of 2019, according to industry operators.

Businesses fume over bid to hike gas price

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The garment factory owners spent a few billions of dollars to fix the safety related problems over the last few years, said Mansoor Ahmed, acting BKMEA president.

"And now we get the proposal for the abnormal price hike of gas. The industries will not survive if the new rate is implemented," he added.

The cost of production will increase by 5 percent thanks to the gas price hike, said Mohammad Ali Khokon, president of the BTMA. "And given the current situation we cannot even make 2 percent profit."

Khokon went on to demand an unchanged gas price for at least 10 years. "We have to be competitive in the international markets," he added.



Discussants take part in a workshop on trade service operations in banks organised by the Bangladesh Institute of Bank Management at its auditorium in Dhaka yesterday. Story on B1

Stockmarket should contribute more to economy

STAR BUSINESS REPORT

The stockmarket's contribution to the economy is very low but it should be increased for Bangladesh to become a developed country, said market analysts.

The ratio of Dhaka Stock Exchange's (DSE) market capitalisation to gross domestic product (GDP) is still very low compared to that of other countries despite huge endeavour, said KAM Majedur Rahman, managing director of the bourse.

"The ratio is now around 18 percent whereas it is more than 100 percent in many developed countries. We will have to increase the ratio to at least 40 percent in order to be a developed country," he said.

Addressing a seminar organised by Independent University, Bangladesh (IUB) at its auditorium on Tuesday, Rahman said they were trying to bring new products to attract investors and for the capitalisation to rise.

To raise the ratio, issue managers will have to bring well-performing companies to the market to raise capital while more stock investors have to be attracted, he added.

Rashed Chowdhury, a member of the IUB's Board of Trustees, echoed the same, saying that big industries should come to the market to enlarge their businesses instead of going to the bank, which in turn would lead to building a developed nation.

"The new generation should come

forward to the stock market to boost the market's contribution to the economy," he said. Other speakers also opined that the stock exchanges and the regulator were bringing new products and trading boards which would open up a lot of opportunities for investors and entrepreneurs.

"Now investors should come to the market to get higher benefits instead of opting for bank interest rates and entrepreneurs should also come to the market to raise capital for multipurpose uses," they said.

IUB Vice Chancellor Prof M Omar Rahman chaired the seminar while Prof Milan Pagon, pro-vice chancellor, and Md Aminul Karim, dean of the School of Business, also spoke.

Organic push earns global praise

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Of the total exports of Viyellatex, 5 to 7 percent are organic products.

"The use of organic products in Bangladesh's textile mills is growing gradually," said Monsoor Ahmed, secretary of the Bangladesh Textile Mills Association (BTMA), the spinners and weavers' platform.

Some textile millers are expanding capacity to produce organic products, he said.

Organic products account for 5 to 7 percent of the shipment of almost all the big and compliant garment companies in Bangladesh, said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

Rahman's exports include at least 7 percent organic products. Bangladesh imports nearly 8 million bales of cotton every year, mainly from India, the US and from some African countries, Ahmed said.

Of the imports, nearly 6 percent is organic cotton that comes from India and the US, he said.

"The price of organic cotton is higher than other fibres as it needs special care during cultivation," Ahmed said, adding that no pesticide or chemical is used during farming.

Hasan said the number of customers of organic products is low, so factory owners do not produce these items on a massive scale like they do in case of traditional garment products. The GOIS was developed by the Organic Trade Association of the US, the Japan Organic Cotton Association, the International Association Natural Textile Industry of Germany, and the Soil Association of the UK.

It includes the entire postharvest processing of apparel and home textiles made with certified organic fibre and has both environmental and social criteria.

Key provisions include a ban on the use of genetically modified organisms, highly hazardous chemicals, and child labour, while requiring strong social compliance management systems and strict waste water treatment practices.

Japan downgrades economy view as US-China trade war bites

REUTERS, Tokyo

Japan's government downgraded its assessment of the economy in March for the first time in three years, blaming a bruising US-China trade war for slumping exports and industrial output.

The Cabinet Office, which helps coordinate government policy, said on Wednesday the economy is in gradual recovery, but exports and output are showing signs of weakness.

The monthly economic report for March was a downgrade from February, when the Cabinet Office simply said the economy is in gradual recovery.

The March report gave a pessimistic outlook, saying this bout of weakness could continue for some time in the future.

The downbeat assessment could fuel calls for the government to delay a nationwide sales tax hike scheduled for October, and increase speculation that the Bank of Japan (BOJ) will take some steps to bolster economic growth.

Exports fell for a third straight month in February and industrial output in January saw its sharpest decline in a year as tit-for-tat tariffs between Washington and Beijing slowed China's economy and reduced demand for mobile phone parts and chip-making equipment from Japan.

The Cabinet Office downgraded its assessment of industrial production



A man makes his way in a business district in Tokyo.

for the second consecutive month, saying it has shown signs of weakness and flatlined.

Despite the damage from the trade war, Japan's economy should continue to grow moderately because consumer spending and capital expenditure are holding up, a Cabinet Office official told reporters at a briefing.

For March, the government left unchanged its assessment that consumer spending is recovering and capital expenditure is increasing.

However, there are concerns that companies will start cutting capital expenditure plans for fiscal 2019 in

April due to uncertainty about global trade policy.

Japan's manufacturing sector is exposed to the trade war because it sends electronic parts and capital goods to China, where they are used to make finished products destined for the United States.

The government is scheduled to raise the nationwide sales tax to 10 percent from 8 percent in October, but there are concerns this will weaken consumer spending and harm growth.

The BOJ last week cut its view on exports and output, but left its radical easing policy unchanged.

Japan a key market for ICT sector

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The company has established 10,000 smart homes in Tokyo using the next generation Internet of Things (IoT) technology.

Infocrat, another local software company that opened an office in Japan in 2015, said they were handling big data for some Japanese companies and were getting good business there.

"Japan is a very important market for us and that's why our chief executive officer primarily works from there," said Md Mahadi Hasan, Infocrat's chief of Bangladesh operations.

This year, 13 Japanese ICT companies are participating at the BASIS SoftExpo.

On the other hand, 29 Bangladeshi companies will attend the Japan ICT fair in May.

"Our business volume in Japan is growing at a satisfactory rate," said Mahboob Zaman, managing director of DataSoft Systems, who was the first to test the waters in Japan. BASIS has opened a dedicated Japan desk.



Analysts take part in a seminar on "advancing solutions through innovative MSE financing products and delivery channels in Bangladesh" organised by the Business Finance for the Poor in Bangladesh project at Lakeshore Hotel in Dhaka on Tuesday.

Shipment delays raise fraud risks

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Documentary credit, considered the best payment methods from country risk and money-laundering risks perspective, remained the most prominent payment technique in import and export transactions.

In documentary credit, LC is used to offer financing to importers. And in the payment process, a bank itself is a party and commercial risks are well-distributed between traders and banks.

In 2018, 98 percent import payments from Bangladesh were made through LC in terms of volume. It was more than 94 percent in terms of number of cases.

This is sharp contrast to the global practice in general where 80 percent payment transactions take place through open account, a payment method which poses higher risk of money-laundering.

In the open account method, transactions take place mainly between exporters and importers and it is risky for exporters and there is insignificant involvement of banks. There is also limited control of regulators, greater involvement of country risk and higher money-laundering risk in the open account method, the report said.